



May 19, 2022

**Via E-mail and USPS**

Yehuda Alter  
Avenues Recovery Center  
211 Boulevard of the Americas, Suite 503  
Lakewood, NJ 08701

**Re: Avenues Recovery Center of Maryland  
Establishment of 20 bed Track One  
Intermediate Care Facility providing ASAM  
Level III.7 and Level III.7-WM services  
Matter # 22 -04-2455**

Dear Mr. Alter:

The Maryland Health Care Commission (“MHCC”) staff has reviewed the Avenues Recovery Center of Prince Frederick, LLC, Certificate of Need application for the establishment of 20 bed Track One ASAM Level III.7-WM and Level III.7 medically monitored intensive inpatient treatment program in Prince Frederick, Maryland (Calvert County). A number of questions have been identified that need to be answered in order to find the application complete. Please respond to the request for additional information.

Several questions ask the applicant to provide a narrative description of practices/policies/etc. to supplement the response. It is insufficient to only reference the exhibits featuring policies, requiring the reader to find and interpret the relevant passages. It is appropriate to document your practices and procedures by sharing and highlighting policies. It is best for you to bring those practices and procedures “to life” with a description of how they are implemented. This request is made to ensure that staff has the information necessary to support a thorough report and recommendation to the Commission.

**Part I – Project Identification and General Information**

1. Exhibit 1 – Organizational Chart, please explain the following:
  - a. The status of Avenues Recovery Center of Oklahoma and of Central Jersey, which the chart indicates are closed and the Avenues Recovery Medical Center at Valley Forge, which states it is sold.

- b. Show the relationship of Avenues Recovery Extended Care (Concord, NH) and Avenues Recovery Center at Kentuckiana (Clarksville, IN) to the applicant on the organizational chart. What type of services are offered at the Concord, NH facility?
  - c. Clarify by describing the relationship of Avenues Recovery Center, LLC, with Rehab Venture, identified as a management company, in the applicant's organizational structure; and
  - d. Clarify by describing the relationship of the five organizations identified as "property owner" and the nine organizations identified as "facility" in your diagram.
2. Exhibit 5, please explain the relationship of Capital Hills Enterprise, LLC, with the applicant. Clarify the relationship of Messrs. Alter and Cohen with this entity?
  3. Please provide a description of the current condition and use of the three 6-bed inpatient rooms located on the first floor of the Prince Frederick facility.

### **Part III – Applicant History, Statement of Responsibility, Authorization, and Release of Information, and Signature**

4. Item #2 on p. 11, please discuss why Avenues Recovery Center of Chesapeake Bay, as well as any other facilities missed by applicant is not listed here.

### **Part IV – Consistency with General Review Criteria**

#### **A) STATE HEALTH PLAN: COMAR 10.24.14 STATE HEALTH PLAN FOR FACILITIES AND SERVICES: ALCOHOL AND DRUG ABUSE TREATMENT SERVICES STANDARDS**

#### **Provision of Service to Indigent and Gray Area Patients**

5. To verify that Avenues Recovery Center of Maryland will comply with this standard, please confirm that the applicant accepts the following condition should staff recommend an approval to its CON application:

Avenues Recovery Center of Maryland shall document the provision of a minimum of 15% of patient days of care to indigent and gray area patients, as defined at COMAR 10.24.14.08B(9) and (11), by submitting annual reports auditing its total days of care and the provision of days of care to indigent and gray area patients as a percentage of total days



of care. Such audit reports shall be submitted to the Commission following each Avenues fiscal year, from the patient's inception and continuing for five years thereafter.

6. Exhibit 9, please discuss the materials and methods that will be utilized to communicate to patients and the community that 15% or more of its proposed annual adult ICF bed days at Avenues Recovery Center of Maryland will be set aside for either indigent or gray area patients. Will the applicant post this information on its website?

### **Information Regarding Charges**

7. Please provide a draft of the required posting to the public that provides information concerning the range and types of services provided and the charges for these services.

### **Utilization Review and Control Programs**

8. It is insufficient to direct staff to a series of policies included as exhibits; the applicant is required to provide a narrative description of how these policies are implemented.
  - a) Utilization Review and Control Programs: The policy listed as Exhibit 15 does not describe the focus and function of the utilization review and control program. Please provide such a description.
  - b) Discharge Planning and Length of Stay: Exhibit 17, please discuss how Avenues determines the appropriate length of stay for each patient.
  - c) Referrals: The application refers staff to Exhibit 18, entitled "COMMUNICATIONS (REFERRALS)." Please discuss how this policy governs referral practices, and cite where this process is referred to in the document.
9. On p. 22 and Exhibit 17, the applicant cited a statement in its Discharge Planning Policy which states: "Each patient's treatment plan will include, at least one year of aftercare following discharge from the facility." Please identify the community agencies or partners that the applicant utilizes in its patient aftercare treatment program.

### **Transfer and Referral Agreements**

10. Please provide copies of the transfer and referral agreements or acknowledgements for each of the entities as listed in the chart on p. 24 of the CON application.



### **Sources of Referral**

11. Please provide the following:
  - a. Copies of the referral agreements that comply with Paragraph .05K(2) of this regulation.
  - b. Identify and elaborate on the organizations that the applicant expects to receive referrals, including discussions on the demographics/socio-economic status of their referral clientele which demonstrates that at least 15% of applicant's patient days will be allocated to members of the indigent or gray area population.

### **Sub-Acute Detoxification**

12. In a review of the floor plans in Exhibit 5, p. 2, there will be three bedrooms with six beds in each room. The space for each patient in each six-bed room is limited, and averages a little over 60 sf per bed. The lack of space in these rooms raises concerns for patients receiving Level 3.7 WM and Level 3.7 Medically Monitored Intensive Inpatient care. Describe how the planned physical plant configuration supports and enhances the delivery of Level 3.7WM and Level 3.7 services to patients seeking this level of care.

### **Outpatient Alcohol & Drug Abuse programs**

13. The applicant refers to a number of exhibits, but does not provide information that addresses this standard. Please provide more description and detail on how each of these exhibits address subpart (2) regarding continuity of care and appropriate staffing at offsite outpatient programs.

### **B) NEED**

14. Please identify the service area for Avenues-Prince Frederick Level 3.7WM/Level 3.7 program, which includes a description of the primary and secondary service area; population size; demographic and socioeconomic data on the population served; and projected growth of the population.
15. Please provide any data or documentation that supports the demand for the proposed services, utilization rate(s), and the information that supports the validity of the assumptions.



**C) AVAILABILITY OF MORE COST-EFFECTIVE ALTERNATIVES**

16. Please explain why the 64 Track 1 beds at RCA Capital Region in Waldorf (Charles County), the 59 Track 2 beds at Hope House (Prince George's County), and the 27 Track 2 beds at Pyramid Walden (St. Mary's County) do not address the demand for Level 3.7WM/Level 3.7 treatment in Southern Maryland.
17. Demonstrate why the establishment of Avenue Prince Frederick's detox and substance abuse program is a more effective alternative than providing these services through the three existing ICF facilities in Southern Maryland.
18. Provide evidence to support the applicant's statement that alcohol and drug abuse treatment services in Southern Maryland "are not available to all patients, including Medicaid" on p. 42.

**D) VIABILITY OF THE PROPOSAL**

19. Regarding Exhibit 28, Roth & Co. states in its letter that "(W)e have been the accountants for the Avenues Group of Drug Centers from inception through present..." This does not conform with the CON application's instructions, which states the applicant "must document or provide a letter from an independent Certified Public Accountant that includes documentation on the financial information considered by the CPA in reaching the conclusion that adequate funds are available." If audited financial statements for the last two years are not available for Avenues Recovery Center of Maryland, LLC, then re-submit a letter from an independent CPA that conforms with the instructions stated above.

**E. COMPLIANCE WITH CONDITIONS OF PREVIOUS CERTIFICATES OF NEED**

20. This is incorrect. Provide a response with regard to Messrs. Alter and Cohen's compliance with Avenues Recovery Center of Chesapeake Bay, LLC, (Docket No. 21-09-2449) which the Commission approved on October 21, 2021.

**F) IMPACT ON EXISTING PROVIDERS AND THE HEALTH CARE DELIVERY SYSTEM**

21. Please discuss the impact of Avenues Price Frederick's proposed program on the 64 Track 1 beds at RCA Capital Region in Waldorf (Charles County), the 59 Track 2 beds at Hope House (Prince George's County), and the 27 Track 2 beds at Pyramid Walden (St. Mary's County). What evidence does the applicant rely on to support that the



- proposed 20 Level 3.7WM and Level 3.7 beds will not have an impact either on the volume or payor mix of these three existing providers.
22. Provide details or documentation to support your statement on p. 46 regarding “the need for Track 1 (Private Pay) beds for Medicaid and indigent patients in Southern Maryland.” In addition, please submit details or evidence to support your statement that the proposed project “will improve access....for Eastern Shore residents and residents from other parts of the state.”
  23. Provide a response, along with the assumptions used as the basis for your response, as to how the establishment of Avenues Level 3.7 – WM and 3.7 medically monitored inpatient program will improve the access of these services to the population residing in Southern Maryland.

#### **Tables under Tab 6**

24. Regarding Tables C and D, please clarify whether these tables provide historical and projected utilization and revenue/expenses for all levels of care provided at Avenues Recovery Center of Maryland, i.e., Level 3.5, 3.3, partial hospitalization program (PHP), intensive outpatient treatment (IOP), and outpatient care.
25. Regarding Table E, please separate and provide the utilization projections for the Level 3.7-WM and the Level 3.7 programs individually.
26. Regarding Table G, please discuss how the applicant will recruit the 8.0 FTEs for the Level 3.7-WM and Level 3.7 programs. Does the applicant anticipate any issues with recruiting and hiring the 8.0 FTEs for the program?

Please submit four copies of the responses to completeness questions and the additional information requested in this letter within ten working days of receipt. Also submit the response electronically, in both Word and PDF format, to Ruby Potter ([ruby.potter@maryland.gov](mailto:ruby.potter@maryland.gov)). Given the number of questions posed, as well as the time required for staff to compile these questions, we will certainly grant an extension to the ten day target specified in regulation as soon as you would request it.

All information supplementing the applicant must be signed by person(s) available for cross-examination on the facts set forth in the supplementary information, who shall sign a statement as follows: “I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information, and belief.”



Yehuda Alter  
May 19, 2022  
Page 7

Should you have any questions regarding this matter, feel free to contact me by either e-mail at [bill.chan@maryland.gov](mailto:bill.chan@maryland.gov) or phone at (410) 764-3374.

Sincerely,

*William D. Chan*

William D. Chan  
Program Manager

cc: Carolyn Jacobs, Esq. Jacobs & Dembert, P.A.  
Laurence Polsky, M.D., Calvert County Health Department  
Paul Parker  
Wynee Hawk, Esq.

